

Message Text

CONFIDENTIAL

PAGE 01 ISLAMA 05279 220936Z

44

ACTION NEA-10

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-04 H-02 INR-07 L-03

NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06 OMB-01

AID-05 EB-07 COME-00 TRSE-00 PC-01 (ISO) W

----- 038721

R 220720Z MAY 76

FM AMEMBASSY ISLAMABAD

TO SECSTATE WASHDC 5640

AMEMBASSY DACCA

AMEMBASSY KABUL

AMEMBASSY NEW DELHI

AMEMBASSY TEHRAN

C O N F I D E N T I A L ISLAMABAD 5279

FOLLOWING MESSAGE SENT ACTION ISLAMABAD INFO KARACHI MAY 21ST
REPEATED FOR YOUR INFO

QUOTE

LAHORE 0622

FOR SHAFFER

TAGS: PFOR, PK, IN

E.O. 11652: GDS

SUBJECT: REACTION TO INDO-PAK AGREEMENTS

REF: GIBNEY/SCHAFFER TELCON MAY 18

ISLAMABAD 5059

1. REACTION IN PUNJAB TO RECENTLY ANNOUNCED INDO-PAK
AGREEMENTS RESTORING AIR, ROAD, RAIL AND DIPLOMAT LINKS,
AND EXTENDING TRADE TO PRIVATE SECTOR HAS BEEN CAUTIOUSLY
OPTIMISTIC. IN SPITE OF LINGERING DEEP-SEATED ANTIPATHY
TOWARD INDIA, THERE IS HOPE THAT REAL NORMALIZATION CAN BE
ACHIEVED. A FINAL SETTLEMENT ON KASHMIR, HOWEVER, IS STILL
VIEWED AS ELUSIVE. BHUTTO HAS GENERALLY WON PRAISE FOR
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 ISLAMA 05279 220936Z

AGREEMENTS WHICH ARE REGARDED AS A MAJOR STEP FORWARD IN

FULFILLING SIMLA ACCORDS. AS RESULT, HIS DOMESTIC POLITICAL POSITION HAS UNDOUBTEDLY BEEN FURTHER STRENGTHENED.

2. BUSINESS CIRCLES APPEAR HOPEFUL ABOUT RESTORATION OF TRADE IN PRIVATE SECTOR. DESPITE FACT ECONOMIES OF TWO COUNTRIES ARE NOT COMPLEMENTARY AND INDIA ENJOYS COMMANDING INDUSTRIAL LEAD, THEY LOOK FORWARD TO HAVING ACCESS TO VAST INDIAN MARKET. AS ONE BUSINESSMAN PUT IT: "WE MUST CONFRONT INDIA IN COMMERCIAL ARENA, NOT ON BATTLEFIELD. PAKISTAN MUST ACCEPT THIS CHALLENGE AND PROVE THAT IT CAN COMPETE ECONOMICALLY." THERE IS ALSO ENTHUSIASM OVER PROSPECT OF RE-ESTABLISHMENT OF AIR LINKS WITH BANGLADESH AND POSSIBILITIES THIS OFFERS FOR FURTHER RESTORING SOME OF OLD TRADE TIES. LOOKING AHEAD, ONE BUSINESS CONTACT EXPRESSED HOPED THAT INDIA AND PAKISTAN MIGHT FIND IT ADVANTAGEOUS IN NEAR FUTURE TO COOPERATE IN SOME KING OF REGIONAL COMMON MARKET, PERHAPS BY EXTENDING RCD LINKS TO INCLUDE AFGHANISTAN AND BANGLADESH AS WELL AS INDIA. (WE DOUBT, HOWEVER, THIS FEELING IS WIDELY SHARED AT PRESENT.)

3. SOME CONCERN HAS BEEN REGISTERED ABOUT IMPACT OF POTENTIALLY LARGE VOLUMES OF TRANSIT TRADE ON PAK ROAD AND RAIL SYSTEM, WITH VISIONS OF COLOSSAL TRUCK TIE-UPS AT WAGAH-ATARI BORDERING CROSSING. THERE IS ALSO FEAR THAT PAKISTAN MAY EMERGE AS LITTLE MORE THAN CONDUIT FOR TRADE AMONG INDIA, AFGHANISTAN AND IRAN, WITH LITTLE REAL BENEFIT AT HOME. NAWA-I-WAQT, IN AN OUTBURST OF CHAUVINISM, WARNED IN MAY 16 EDITORIAL THAT INCREASED TRANSIT TRADE COULD BRING IN ITS WAKE "SOCIAL, ECONOMIC, AND POLITICAL PROBLEMS," AND URGED NATION TO BE ON GUARD AGAINST "FOREIGN IDEAS AND ALIEN CIVILIZATION." DESPITE RE-ESTABLISHMENT OF ROAD, RAIL AND AIR LINKS, FEW HERE BELIEVE THIS WILL SOON RESULT IN SIGNIFICANT INCREASE IN TRAVEL BETWEEN TWO COUNTRIES, CITING TRADITIONALLY RESTRICTIVE VISA REGULATIONS.

4. CONSUL GENERAL RECEIVED INTERESTING REFLECTIONS ON AGREEMENTS FROM IRANIAN CONSUL GENERAL PEDRAM DURING CONVERSATION MAY 20. PEDRAM ASSERTED THAT INDO-PAK RAPPROCHMENT, A SIGNIFICANT ACHIEVEMENT, MUST ALSO BE VIEWED IN CONTEXT OF PARALLEL IMPROVEMENT IN PAK-AFGHAN RELATIONS, CONFIDENTIAL

CONFIDENTIAL

PAGE 03 ISLAMA 05279 220936Z

AND CONFIRMED THAT SHAH HAD WORKED BEHIND SCENES TO PROMOTE BOTH. HE EMPHASIZED IRAN IS KEENLY INTERESTED IN DEVELOPING ITS TRADE WITH INDIA (IN TRANSIT ACROSS PAKISTAN) AND EXPRESSED SATISFACTION WITH INDO-PAK ACCORDS. ADDED HE BELIEVED TRADE PROMOTION WAS A MAIN OBJECTIVE OF IRANIAN PRIME MINISTER HOUEYDA DURING HIS VISIT TO NEW DELHI LAST WEEK AND ASSUMED HOUEYDA HAD PLUGGED FOR INDO-PAK TRADE ACCORD IN THE PROCESS. IN RESPONSE TO QUESTION, PEDRAM STRESSED THAT SHAH SERIOUSLY

FAVORS EXPANSION OF RCD -- ESPECIALLY COMMERCIAL ASPECTS -- TO INCLUDE INDIA AS WELL AS AFGHANISTAN, BANGLADESH AND OTHER FREE ASIAN COUNTRIES AS FAR AS AUSTRALIA. PEDRAM CITED IN THIS CONNECTION SHAH'S REMARKS IN EXCLUSIVE INTERVIEW IN TEHRAN WITH PUBLISHER OF PAKISTAN'S MUSAWAT, CARRIED IN ITS MAY 9 ISSUE HERE AND REPORTED IN PAK-ENGLISH PRESS MAY 10.

5. MOST OBSERVERS THINK ALL DEPENDS ON MANNER IN WHICH AGREEMENTS ARE IMPLEMENTED. ANNOUNCEMENT THIS WEEK THAT DIPLOMATIC AND OTHER LINKS WILL BE RESTORED BY JULY 24 IS REGARDED AS A HOPEFUL SIGN. RE KASHMIR, STILL AN EMOTIONAL ISSUE IN PUNJAB, MOST ACKNOWLEDGE THAT SETTLEMENT WILL NOT COME EASILY. MANY HERE ADMIT PRIVATELY THAT ACCEPTANCE OF PRESENT CEASEFIRE LINE IS PROBABLY BEST PAKISTAN CAN HOPE FOR, BUT POINT TO DOMESTIC POLITICAL RISKS INVOLVED. SOME EXPRESS DOUBT THAT BHUTTO COULD SELL SUCH AN AGREEMENT GIVEN SUSPICION IN OPPOSITION QUARTERS AND ELSEWHERE THAT HE WAS RESPONSIBLE TO SOME DEGREE FOR 1971 DEBACLE. FOR HIM TO ABANDON KASHMIR CAUSE, THEY FEEL, WOULD BE GOING TOO FAR. KASHMIR ISSUE ASIDE, OVERALL ATTITUDE IN PUNJAB IS WAIT-AND-WATCH WITH AN UPBEAT ACCENT.
SPENGLER
UNQUOTE
BYROADE

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: FOREIGN RELATIONS, AGREEMENTS, INTERGOVERNMENTAL COOPERATION, PUBLIC ATTITUDES
Control Number: n/a
Copy: SINGLE
Draft Date: 22 MAY 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: greeneet
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976ISLAMA05279
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D760200-0025
From: ISLAMABAD
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760526/aaaaavti.tel
Line Count: 140
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION NEA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: greeneet
Review Comment: n/a
Review Content Flags:
Review Date: 02 JUN 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <02 JUN 2004 by ShawDG>; APPROVED <30 SEP 2004 by greeneet>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: REACTION TO INDO-PAK AGREEMENTS
TAGS: PFOR, PK, IN
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006